

## Message Text

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PAGE 01 LUSAKA 02425 081021Z  
ACTION AF-10

INFO OCT-01 ISO-00 AID-20 EB-08 CIAE-00 INR-10 NSAE-00  
AGRE-00 SP-02 SS-15 COME-00 TRSE-00 OMB-01 DODE-00  
/067 W

-----064311 090407Z /21

R 080958Z JUL 78  
FM AMEMBASSY LUSAKA  
TO SECSTATE WASHDC 8808

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E.O. 11652: N/A  
TAGS: EFIN EAID  
SUBJ: MINISTER OF FINANCE REPORTS ON CONSULTATIVE GROUP MEETING

REF: PARIS 20975

1. IN A STATEMENT ON HIS RETURN FROM THE PARIS CONSULTATIVE GROUP MEETING, GRZ MINISTER OF FINANCE JOHN MWANAKATWE REVIEWED THE REASONS FOR THE MEETING AND ITS RESULT. HE OUTLINED THE DISCUSSIONS ON THE GENERAL STATE OF THE ECONOMY, THE THIRD NATIONAL DEVELOPMENT PLAN, AGRICULTURAL DIVERSIFICATION, TRANSPORTATION DIFFICULTIES AND PROJECT PREPARATION AND IMPLEMENTATION ALONG THE LINES REPORTED IN PARIS REFTTEL.

2. AS FAR AS RESULTS, THE MINISTER SAID THAT PLEDGES OF ASSISTANCE AMOUNTING TO \$500 MILLION HAD BEEN RECEIVED. HE EMPHASIZED THAT THIS FIGURE IS FOR A THREE YEAR PERIOD AND INCLUDES ASSISTANCE ALREADY COMMITTED BUT NOT YET DESBURSED. HE ADDED THAT THIS ASSISTANCE IS AIMED AT "MOBILIZING QUICK DISBURSING FINANCIAL RESOURCES FOR BALANCE OF PAYMENTS SUPPORT" AND THAT A SECOND CONSULTATIVE GROUP MEETING WOULD BE HELD EARLY NEXT YEAR TO DISCUSS ZAMBIA'S LONG TERM DEVELOPMENT.

3. MWANAKATWE'S PREPARED STATEMENT AND RESPONSE TO PRESS  
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QUESTIONS RESULTED IN CONFUSING AND CONFLICTING FRONT PAGE STORIES IN THE LOCAL PRESS. ONE REPORT HEADLINED ZAMBIA RECEIVING OVER A BILLION DOLLARS. ANOTHER PUT THE FIGURE AT \$500 MILLION BUT PLUGGED IN IMF MONEY, THE "CITIBANK LOAN" OF \$200 MILLION AND OTHER CONFUSING FIGURES. IT WAS IMPOSSIBLE TO ASCERTAIN EXACTLY WHAT HAPPENED IN PARIS FROM THESE ACCOUNTS.

4. MWANAKATWE APPEARED ON LOCAL TELEVISION TO PRESENT HIS REPORT AND MADE NO ATTEMPT TO MISLEAD. HE CLEARLY STATED THAT THE FIGURES HE GAVE INCLUDED BOTH "OLD" AND "NEW" MONEY AND CORRECTLY DIFFERENTIATED BETWEEN THE IMF MONEY AND THAT PLEDGED BY BILATERAL DONORS. HE MADE NO MENTION OF CITIBANK.

5. COMMENT: EMBASSY'S INITIAL REACTION TO PRESS REPORTS WAS THAT RESULTS OF PARIS MEETING WERE BEING DELIBERATELY BLOWN OUT OF PROPORTION FOR DOMESTIC POLITICAL PURPOSES. ACTUAL TEXT OF MWANAKATWE'S STATEMENT AND HIS SUBSEQUENT TV INTERVIEW HOWEVER INDICATE THAT STORIES MAY HAVE BEEN SIMPLY BAD REPORTING. REGARDLESS, THE INITIAL NEWS STORIES WILL CONFUSE PUBLIC UNDERSTANDING OF WHAT ACTUALLY HAPPENED IN PARIS. LOW

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCE, COMMITTEE MEETINGS, MEETING REPORTS  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014